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A Study on the Investment Behaviour of Women Employees in Hyderabad

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ABSTRACT

The engagement of women in a society's financial affairs is a critical factor contributing to its proper and sustainable development. This study focuses on working women in Hyderabad and explores their investment behavior. It adopts a descriptive approach, utilizing data collected through a structured questionnaire that included both closed- and open-ended questions. A quantitative and descriptive research strategy was employed to gather data. Information was collected from 150 respondents, out of which 112 provided usable responses. The analysis involved both descriptive and comparative methods. The findings reveal that women consistently exhibit low-risk investment behavior and tend to avoid long-term investment commitments. Furthermore, the study highlights that most female workers prefer investments that offer higher returns. This research offers valuable insights into the role of investment in the lives of working women and their attitudes toward various investment aspects.

Keywords: Investment Behavior, Working Women, Risk Aversion, Financial Participation, Descriptive Analysis, Investment Behavior, Financial Avenues, Financial Objective.

INTRODUCTION

In developing countries like India, investment activities carried out by individuals are regarded as a crucial prerequisite for capital formation and the acceleration of economic growth. Investment refers to the portion of the money that is committed to security or property with the intention of generating future returns. These returns can come in the form of interest, dividends, or profits obtained from the invested security or property. Various types of investments exist, including fixed deposits, post office saving schemes, P.P.F. bonds, stocks, real estate, and more. (Mittal & Aggarwal, 2017). Over the years, the Indian savings market has witnessed significant growth, with a consistent rise in household savings. As times have evolved, women aspire to actively engage in various spheres, including education, politics, media, science, and technology, seeking financial independence. Modern women are adept at balancing both their domestic and professional lives, displaying remarkable skills as they become financially self-reliant (Gangwani et al., 2020). Notably, the landscape of women investors has been evolving in sync with the changing times. However, they still face certain challenges in various aspects of investment, particularly concerning awareness and investment preferences (Sellappan et al., 2013).To solve this issue, and we have undertaken a study to identify the factors influencing women investors' behavior. The primary objectives of this study are to assess the level of awareness among women investors and analyze their preferences when it comes to various investment opportunities.

LITERATURE REVIEW

The role of women in financial decision-making has attracted growing scholarly interest over recent decades. Various studies emphasize that women generally adopt more conservative investment strategies, often demonstrating a greater degree of risk aversion compared to their male counterparts. This cautious approach is frequently linked to socio-cultural influences, limited financial literacy, and minimal exposure to high-risk financial instruments.

Findings from earlier research indicate that women typically favor secure investment options such as savings accounts, fixed deposits, and insurance policies, rather than venturing into equities or mutual funds. This behavior is even more pronounced in developing economies, where gender roles and the dual burden of professional and domestic responsibilities further constrain the financial participation of working women.

Within the Indian context, research suggests that although urban working women are increasingly knowledgeable about financial instruments, their investment preferences remain largely conservative. Influencing factors include income levels, financial awareness, familial obligations, and cultural expectations. Despite some progress in bridging

the gender gap in financial inclusion and decision-making, women continue to exhibit lower levels of risk tolerance and limited engagement in long-term financial planning.

Investment decisions among working women are often guided by objectives such as financial security, children's education, and preparedness for future uncertainties, rather than a focus on wealth accumulation. The growing presence of women in the workforce, particularly in metropolitan cities like Hyderabad, offers valuable insights into the evolving patterns of investment behavior.

This study adds to the body of existing literature by focusing on the investment behavior of working women in Hyderabad. It identifies consistent traits such as low-risk tolerance and a preference for higher returns, despite an overall reluctance toward long-term investment commitments. These findings align with broader trends while offering localized perspectives that could inform future strategies in financial education and policy development aimed at empowering women investors.

Need for the study

There is a growing need to understand the financial behavior of working women, especially in rapidly developing urban centers like Hyderabad. As women's participation in the workforce increases, their role in economic decision-making becomes more significant. However, limited research exists on how working women approach investment, manage financial risks, and plan for the future. This study aims to fill that gap by providing insights into their investment preferences and attitudes, which can inform financial planning, policy formulation, and educational initiatives tailored to support and empower women in making informed financial decisions.

Objectives:

1. Examine the risk attitudes and investment behaviors exhibited by working women.
2. Investigate how income levels influence the investment preferences of working women.
3. Understand the investment objectives in relation to the age of working women.
4. Assess the relationship between demographic factors and financial decision-making among working women.

Hypothesis of the study:

H01: There are no significant differences between the purpose of investment and the age of working women.

H02: There are no significant differences between the preferences for investment avenues and the income of working women.

RESEARCH METHODOLOGY

This study focuses on the area of Hyderabad as it provides a representative sample of overall India due to its combination of rural and urban elements. To collect data, a structured questionnaire comprising 13 questions was created. The respondents targeted were working women from Hyderabad, and a total of 150 questionnaires were shared.

However, only 112 working women responded, resulting in a response rate of approximately 64%. The questionnaire's content covered two main aspects: demographic profile and investment avenues and preferences. Eight questions were related to the respondents' demographic information, while the remaining questions delved into their investment choices. Respondents rated their answers on a five-point Likert scale, ranging from 1 for strongly disagreed to 5 for strongly agreed. Descriptive analysis was employed to

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examine the demographic data and the study has been conducted at a 10% risk level and a 90% confidence level. Additionally, ANOVA (Analysis of Variance) was used for hypothesis testing purposes.

DATA ANALYSIS

Table-1: Demographic Information of Working Women

Category	Sub-category	Frequency	Percentage
Gender (Females)		112	100
Age	18-30 years	15	13.27
	30-45 years	60	53.10
	45-60 years	25	22.12
	60 & above	12	11.50
Education	UG	50	44.25
	PG	52	45.98
	Doctorate	8	7.08
	Others	2	2.65
Income	Less than 20,000	6	5.31
	20,000-40,000	33	29.20
	40,000-60,000	40	35.40
	60,000 & above	33	30.09
Occupation	Self employed	10	8.85
	Government job	20	17.70
	Private job	68	60.18
	Others	14	13.27
Investment Frequency	Monthly	43	38.05
	Quarterly	18	15.93
	Half yearly	13	12.39
	Yearly	38	33.63

The data shows that all respondents in the study were female, totaling 112 participants. The majority of them fall within the age group of 30 to 45 years, accounting for just over half of the sample. The next largest group is women aged 45 to 60 years, followed by those aged 18 to 30 years and a smaller percentage aged 60 and above.

In terms of educational qualifications, nearly equal proportions of women hold undergraduate and postgraduate degrees, with a small fraction having completed a doctorate or other forms of education.

Regarding income, most women earn between 40,000 and 60,000, closely followed by those earning above 60,000. A smaller percentage of respondents earn between 20,000 and 40,000, and the least number earn less than 20,000.

When looking at occupation, the majority of women are employed in the private sector, with government employees making up the next largest group. Self-employed women and those in other occupations constitute a smaller portion of the sample.

Finally, investment frequency reveals that most women invest monthly, followed by those who invest yearly. Quarterly and half-yearly investments are less common among the respondents. This indicates that a significant number of women actively engage in regular investment practices.

Table-2: Data Reliability Test

	N	%	Cronbach's Alpha	No of Items
Cases Valid	112	100.0	0.822	35

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The data reliability test results are essential for evaluating the consistency and accuracy of the data collected in this study. A total of 112 valid cases were analyzed, representing the entire sample size of 100%. This indicates that all responses received were valid and suitable for further analysis. To evaluate the internal consistency of the data, Cronbach's Alpha coefficient was computed and found to be 0.822. Cronbach's Alpha values range from 0 to 1, with higher values reflecting greater internal consistency reliability. This suggests that the items within the scale consistently measure the intended construct. Typically, a Cronbach's Alpha of 0.7 or higher is considered acceptable. The coefficient of 0.822 indicates a satisfactory level of reliability, demonstrating that the questionnaire items are well-designed to measure the variables under study.

Table-3: Descriptive Statistics Regarding the Various Investment Objectives

		High Returns	Tax Advantages	Reserve for emergency	Retirement Plan	Child Education	Child Marriage	Others
N	Valid	112	112	112	112	112	112	112
	Missing	0	0	0	0	0	0	0
Mean		3.3451	2.6106	2.8407	2.7876	2.7168	2.7965	2.7611
Median		3.0000	2.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Mode		3.00	2.00	4.00	3.00	1.00	4.00	1.00
Std. Deviation		1.23758	.98592	1.38594	1.12163	1.31929	1.14299	1.42850

(Source: primary data)

The results highlight the various investment objectives of working women. Based on measures of central tendency, the highest mean value among all investment objectives is 3.34, indicating that the primary objective for working women when investing is to achieve high returns. For example, the median

		Sum of Squares	Df	Mean Square	F	Sig.
High Returns	Between Groups	47.063	4	11.766	10.208	.000
	Within Groups	124.477	108	1.153		
	Total	171.540	112			
Tax Advantages	Between Groups	30.912	4	7.728	10.706	.000
	Within Groups	77.956	108	.722		
	Total	108.867	112			
Reserve for emergency	Between Groups	59.769	4	14.942	10.387	.000
	Within Groups	155.364	108	1.439		
	Total	215.133	112			
Retirement Plan	Between Groups	51.094	4	12.774	15.361	.000
	Within Groups	89.808	108	.832		
	Total	140.903	112			

Table - 4: ANOVA (On The Basis of Age)

Child Education	Between Groups	53.396	4	13.349	10.186	.000
	Within Groups	141.542	108	1.311		
	Total	194.938	112			
Child Marriage	Between Groups	55.944	4	13.986	16.714	.000
	Within Groups	90.375	108	.837		
	Total	146.319	112			
Others	Between Groups	79.381	4	19.845	14.368	.000
	Within Groups	149.168	108	1.381		
	Total	228.549	112			

(Source: primary data)

The table indicates that, based on age groups, the significance value for the investment objective is 0.00, which is below the 0.05 threshold. This provides sufficient evidence to reject the null hypothesis. Therefore, it can be concluded that the investment objectives differ according to age.

Table 5: Regarding The Different Investment Avenues

Statistics

		Gold	Silver	Share Market	Mutual Funds	SIP	Crypto Currency	Insurance Plan	NPF/PPF	Real Estate	Others
N	Valid	113	113	113	113	113	113	113	113	113	113
	Missing	0	0	0	0	0	0	0	0	0	0
Mean		3.5752	2.5752	2.4779	2.4071	3.1416	2.8584	3.0531	2.9204	2.7965	3.1593
Median		4.0000	2.0000	2.0000	2.0000	3.0000	2.0000	3.0000	2.0000	2.0000	3.0000
Mode		4.00	1.00	1.00	1.00	5.00	1.00	5.00	1.00	1.00	5.00
Std. Deviation		1.28038	1.48688	1.56466	1.47985	1.79716	1.80707	1.58024	1.83781	1.72254	1.57869

(Source: primary data)

The results highlight the different investment avenues preferred by working women. Based on measures of central tendency, the highest mean value is 3.57 and the highest median value is 4.00 among all investment options. These values indicate that gold is the most preferred investment avenue for working women.

Additionally, the highest mode value of 5.00 suggests that Systematic Investment Plans (SIP) and other options are also favored. Regardless of age, working women tend to invest most frequently in gold.

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Table – 6 : ANOVA (On The Basis of the Income)

		Sum of Squares	Df	Mean Square	F	Sig.
Gold	Between Groups	77.206	4	19.302	19.591	.000
	Within Groups	106.404	108	.985		
	Total	183.611	112			
Silver	Between Groups	124.503	4	31.126	27.306	.000
	Within Groups	123.108	108	1.140		
	Total	247.611	112			
Share Market	Between Groups	40.658	4	10.165	4.701	.002
	Within Groups	233.537	108	2.162		
	Total	274.195	112			
Mutual Fund	Between Groups	101.103	4	25.276	18.934	.000
	Within Groups	144.171	108	1.335		
	Total	245.274	112			
SIP	Between Groups	61.994	4	15.499	5.584	.000
	Within Groups	299.740	108	2.775		
	Total	361.735	112			
Crypto Currency	Between Groups	190.402	4	47.600	29.321	.000
	Within Groups	175.333	108	1.623		
	Total	365.735	112			
Insurance Plan	Between Groups	183.494	4	45.873	51.507	.000
	Within Groups	96.188	108	.891		
	Total	279.681	112			
NPF/ PPF	Between Groups	99.392	4	24.848	9.622	.000
	Within Groups	278.891	108	2.582		
	Total	378.283	112			
Real Estate	Between Groups	157.840	4	39.460	24.425	.000
	Within Groups	174.479	108	1.616		
	Total	332.319	112			
Others	Between Groups	159.605	4	39.901	36.053	.000
	Within Groups	119.528	108	1.107		
	Total	279.133	112			

(Source: primary data)

The study examined various investment avenues, including gold, silver, SIP, mutual funds, crypto currency, PPF/NPF, real estate, insurance plans, and others, to determine the preferences of women employees. An ANOVA test was conducted to assess the significance level, which was found to be 0.00, well below the 5 percent threshold. This result indicates that the null hypothesis is rejected, suggesting a significant difference in the mean preferences for different investment avenues based on age.

FINDINGS

- Based on the analysis, the first objective to examine risk attitudes and investment behaviors among working women reveals that they generally prefer investments with high returns, demonstrating a tendency towards moderate risk-taking while avoiding long-term commitments. The descriptive statistics indicate that achieving high returns is the primary investment goal among the respondents.
- Regarding the influence of income levels on investment preferences, the results show significant differences in the choice of investment avenues based on income. Women with varying income levels display distinct preferences for options such as gold, silver, mutual funds, SIP, and crypto currencies, highlighting that income plays a crucial role in shaping investment decisions.

- The objective focused on understanding investment objectives in relation to age found that the investment purposes significantly differ across age groups. Different age brackets prioritize various objectives such as retirement planning, emergency reserves, child education, and tax advantages, confirming that age influences investment goals.
- Lastly, assessing the relationship between demographic factors and financial decision-making demonstrates that demographic variables like age and income significantly affect investment preferences and objectives among working women. This confirms that demographic characteristics are important determinants in their financial behaviors and decision-making processes.

SUGGESTIONS

- Financial education programs should emphasize the importance of balancing risk and return, helping working women make informed decisions that align with their risk tolerance and investment goals. Tailored guidance can encourage diversification beyond high-return investments to include safer, long-term options.
- Investment advisors and financial planners should consider income levels when recommending investment avenues, offering customized portfolios that match the financial capacity and preferences of women across different income brackets. Special attention to emerging avenues like crypto currencies could help women diversify effectively.
- Since investment objectives vary significantly by age, financial services should develop age-specific products and advice. Younger women might benefit from investment plans focusing on wealth accumulation and emergency funds, while older women may require more retirement-focused strategies.
- Policymakers and financial institutions should recognize the role of demographic factors in financial decision-making and design inclusive financial literacy campaigns and investment products that cater to diverse age and income groups, promoting greater participation and empowerment of working women in financial markets.

CONCLUSION

The study reveals that working women prioritize high-return investments, showing moderate risk-taking and reluctance toward long-term commitments. Income significantly influences their investment choices, with preferences varying across options like gold, mutual funds, and crypto currencies. Age also affects investment goals, including retirement, emergency funds, and tax benefits. These demographic factors are key in shaping financial behavior. To support this, financial education should promote balanced risk-taking and diversification. Advisors must tailor advice based on income and age, while policymakers should offer inclusive literacy programs and products to empower working women, fostering informed and confident financial decisions.

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